

PERSPECTIVES OF ECONOMIC COOPERATION BETWEEN POLAND AND UKRAINE

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The development of economic relations between Poland and Ukraine is determined by many factors of an economic, political, geographical or cultural nature. Geographic and cultural proximity, good political relations, similar experience of system transformation formed favorable climate for the development of linkages. The factor that significantly influenced the state of bilateral relations, was Polish accession to the European Union.

Three regional flagship initiatives of the EU, to which Ukraine has been invited as a partner: Central European Initiative (ISA), the Visegrad Group and the Eastern Partnership are currently the most concrete proposals and forms of cooperation between Poland and Ukrainian.

Trade and exchange of capital between Poland and Ukraine now are significantly affected by the global situation, as well as relations with Russian Federation.

Recent aid from Polish Prime Minister Ewa Kopacz, in the form of a €100M credit and the offer of sharing best practices in public administration reforms, is both a neighborly support and the wish to strengthen Poland's relations with Ukraine.

In Ukraine, the areas of governance quality, transparency and level of bureaucracy are the ones which need the most improvements. This is why the new Ukrainian government should not only focus on the best practices from Poland but also benefit from other countries' positive experience. In fact, other transitioning economies such as Georgia and the Baltic States (GBS), which are champions in these fields, provide many constructive ideas for improvement. Indeed, the World Bank's Doing Business 2015 report ranks Georgia's and the Baltic States' achievements way above Poland's.

Poland and Ukraine have a long time cooperation relationship, hence the will from the Polish government and experts to nurture it and to support such an important neighboring country. Nevertheless, Ukraine should add to Poland's aid recommendations taken from best practices in other Eastern countries (such as the business environment in Georgia, tax administration in Lithuania, or public finance in Estonia), as the recent examples of Polish reforms turned out to be ineffective. As a matter of fact, the success of the Polish economic transformation belongs to the past, as Poland does not present many examples of recent, important, well-implemented and structural economic reforms.